

**CITY OF CLAYTON MISSOURI
NON-UNIFORMED EMPLOYEES RETIREMENT FUND
MEETING MINUTES OF THE BOARD OF TRUSTEES HELD
August 11, 2014**

A meeting of the City of Clayton Board of Trustees of the Non-Uniformed Employees Retirement Fund was held on Monday, August 11, 2014 at 4:00 P.M. at the offices of Asset Consulting Group, 231 South Bemiston Avenue, 14th Floor, Clayton, MO 63105.

1. CALL TO ORDER

2. ROLL CALL

Roll call was taken and the following members were present:

<u>Present</u>	Richard Hummell, Chairman
	Alex Berger, Alderman
	Kathy Brooks-Maness, Member Representative
	Steve Singer, Citizen Representative
	William Grayson, Citizen Representative
	Joanne Boulton, Alderman

<u>Also present:</u>	Craig Owens, Clayton City Manager
	Janet Watson, Director of Finance & Administration
	Rita Smith, Recording Secretary
	Haley Rives, Asset Consulting Group

<u>Not present:</u>	James Flynn, Member Representative
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3. APPROVAL OF MINUTES – May 12, 2014

Chairman Hummell asked if there was a motion to approve the minutes from May 12, 2014. Alex Berger made a motion and Kathy Brooks-Maness seconded the motion. Chairman Hummell also asked if there were any changes or questions regarding the minutes from the May 12, 2014 meeting. The motion carried by voice vote.

4. FINANCIAL ADVISOR- ASSET CONSULTING GROUP

Haley Rives presented the Investment Performance Review for the period ending September 30, 2014. She also distributed updated market values through July 2014. The total portfolio value at the end of the quarter was just over \$14 million. Ms. Rives provided detailed information on the investment return of the most recent quarter and answered Board questions.

There was specific discussion regarding the continuing low performance of the Thornburg International Value Fund. This aspect along with management changes at the fund and a recent significant outflow of assets is causing ACG to now recommend a change in managers. Ms. Rives presented recommendations for three different manager replacements which were Causeway International Value, Lazard International Equity and Mondrian Focused International Equity. After much discussion, including which fund would be the best

compliment to the Harding Loevner strategy, the Chairman took a straw poll and the trustees were split between the Causeway Fund and the Lazard Fund. After further discussion regarding the comparison between these two funds, a motion was made by Steve Singer to select the Lazard fund and the motion was seconded by William Grayson. The motion carried by voice vote.

5. OTHER OLD BUSINESS

MAPERS CONFERENCE: Ms. Watson reported that Chairman Hummell attended the MAPERS conference held July 9 – 11, 2014. Chairman Hummell then shared a few of the topics he attended.

ADMINISTRATIVE RESPONSIBILITIES OF THE PLAN: Per discussion at the last meeting, Ms. Watson brought forth a specific proposal to change the plan documents to provide for the delegation of certain administrative duties to the Administrator, the City's Director of Finance. Ms. Watson stated that the majority of the duties listed in the proposal are already being carried out by the Administrator. The Board held a lengthy discussion regarding the responsibility of various duties between the Board of Aldermen, the Trustees and the Administrator. Ms. Watson stated that instead of changing the plan document in regard to the Administrator duties, the trustees could delegate certain duties to the Administrator through an approved resolution. The Board asked Ms. Watson to bring the portions of the plan document related to the Trustee and Administrator duties to the next meeting to assist in considering this change.

6. NEW BUSINESS

TRUSTEE VACANCY: James Flynn, a participant representative, serving on the Board has retired. Ms. Watson stated that after a review of the plan document, it was determined that member trustees hold a two year term on the Board. To fill the current vacancy, a vote will be taken by plan participants to replace this Board position.

TRUSTEE EDUCATION PLAN: Ms. Watson informed the Board that the education requirements for trustees has increased to six hours per year. After Board discussion regarding the preferred method of training, it was determined that the training will be varied between group training, MAPERS conference attendance and self-study.

7. ADJOURNMENT

There being no further business, the Board adjourned the meeting at 5:33 p.m.

Respectfully Submitted,

Rita Smith, Recording Secretary

Richard Hummell II, Chairman